RESOLUTION NO: 14-1117-XX

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATIONAND DEVELOPMENT COMMISSION

RESOLUTION

WHEREAS, the California Energy Commission is charged with certifying electric generation facilities as eligible renewable energy resources for purposes of California's Renewables Portfolio Standard (RPS) pursuant to Public Resources Code section 25740 et seq. and Public Utilities Code section 399.11 et seq.; and

WHEREAS, Public Resources Code section 25747 authorizes the California Energy Commission to adopt guidelines to govern its implementation of the RPS; and

WHEREAS, on April 21, 2004, the California Energy Commission adopted guidelines, entitled the *Renewables Portfolio Standard Eligibility Guidebook*, that describe the requirements, conditions, and process to certify facilities (i.e. power plants) as eligible renewable energy resources for the RPS pursuant to Public Resources Code section 25740 et seq. and Public Utilities Code section 399.11 et seq., and has subsequently revised these guidelines pursuant to this authority; and

WHEREAS, Public Utilities Code section 399.12 et seq., as amended by Senate Bill X1-2 (SBX1-2, Stats. 2011, 1st Ex. Sess., Ch. 1), established a new RPS eligibility category for hydroelectric generation units with a nameplate capacity not exceeding 40 megawatts that are operated as part of a water supply or conveyance system (WSCS hydroelectric units) and satisfy other criteria as specified in the law; and

WHEREAS, Public Utilities Code section 399.12 et seq. was recently amended by Assembly Bill 1478 (AB 1478, Stats. 2014, Ch. 664) to clarify and amend the RPS eligibility of WSCS hydroelectric units retroactively to January 1, 2011, consistent with SBX1-2, and now specifies 1) that such units are RPS eligible only for the retail seller or local publicly owned electric utility that procured electricity from the unit as of December 31, 2005; 2) that no unit is eligible if an application for certification was submitted to the Energy Commission after January 1, 2013; and 3) that a local publicly owned electric utility meeting the criteria of subdivision (j) of Public Utilities Code Section 399.30 may sell electricity from qualifying units to another local publicly owned electric utility to meet its RPS procurement requirements, provided the total of all such sales is no greater than 100,000 megawatt-hours of electricity; and

WHEREAS, to implement AB 1478, staff is recommending revisions to the current requirements for WSCS hydroelectric units in the *RPS Eligibility Guidebook, 7th Edition*, as shown in underline/strikeout format in Attachment A; and

WHEREAS, on November 5, 2014, the California Energy Commission issued a public notice in accordance with Public Resources Code Section 25747 that identified and discussed staff's recommended revisions to the requirements for certifying WSCS hydroelectric units, and offered stakeholders and interested members of the public an opportunity to comment on staff's recommended revisions; and

WHEREAS, the California Energy Commission has considered staff's recommended revisions to the requirements for certifying WSCS hydroelectric units as eligible renewable energy resources for the RPS, and accepts staff's recommendations.

THEREFORE BE IT RESOLVED, the California Energy Commission hereby adopts staff's recommended revisions to the requirements for certifying WSCS hydroelectric units as eligible renewable energy resources for the RPS.

The Executive Director, or his designee, is hereby authorized and directed to implement the revised requirements for certifying WSCS hydroelectric units as eligible renewable energy resources for the RPS.

CERTIFICATION

The undersigned Secretariat to the California Energy Commission does hereby certify that the foregoing is a full, true, and correct copy of a RESOLUTION duly and regularly adopted at a meeting of the California Energy Commission held on November 17, 2014.

AYE:
NAY:
ABSENT:
ABSTAIN:

_____

Harriet Kallemeyn,
Secretariat

RESOLUTION NO: 14-1117-XX
ATTACHMENT A

Proposed Revisions to the *RPS Eligibility Guidebook, 7th Edition*, Pertaining to a Hydroelectric Generation Unit with a Nameplate Capacity up to 40 Megawatts that is Operated as Part of a Water Supply or Conveyance System as an Eligible Renewable Energy Resource for California's Renewables Portfolio Standard.

Section II.F.3.

Page 29

~~Existing~~ Hydroelectric Generation Unit Operated as Part of a Water Supply or Conveyance System

The generation from ~~certification of~~ an existing hydroelectric generation unit operated as part of a water supply or conveyance system[1] is eligible for the RPS, subject to the limitations specified below, if the following criteria are satisfied: ~~requires that the unit meet all of the following requirements:~~

a) The generation unit has a nameplate capacity ~~of~~ not exceeding 40 MW ~~or less~~, subject to the definition of a "project" as defined in this guidebook.~~the Glossary of Terms.~~

b) ~~Generation from the facility was under contract to, or owned by, a~~ A retail seller or local publicly owned electric utility (POU) procured electricity from the generation unit as of December 31, 2005.

c) The generation unit commenced commercial operations on or before December 31, 2005.

d) The generation unit is operated as part of a "water supply or conveyance system," as defined in this guidebook. ~~the Glossary of Terms.~~

e) The electricity generated by the generation unit is metered separately from any other generating units located at or within the same hydroelectric generation facility.[2]

f) An application to certify the generation unit for the RPS was submitted to the Energy Commission before January 1, 2013.

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[1] Senate Bill X1-2 revised Public Utilities Code Section 399.12, Subdivision (e)(1)~~(A),~~ to add existing hydroelectric generation units not exceeding 40 MW and operated as part of a water supply or conveyance system as an eligible renewable energy resource, if certain criteria are met. Section 399.12, Subdivision (e)(1), was subsequently clarified and amended by Assembly Bill 1478 (Statutes of 2014, Chapter 664). ~~Hydroelectric generation units meeting these criteria are eligible for the RPS starting on January 1, 2011, consistent with SB X1-2, provided the eligibility requirements specified in this guidebook are satisfied.~~

[2] For example, if a powerhouse located on a water supply or conveyance system includes three separate hydroelectric generating units, each unit for which RPS certification is sought must be separately metered.

Limitations on RPS Eligibility:

1) Generation units certified for the RPS pursuant to this Section II.F.3 are eligible for the RPS starting on January 1, 2011, consistent with Public Utilities Code section 399.12 (e)(1), as amended by Senate Bill X1-2 and subsequently clarified and amended by Assembly Bill 1478.

2) Electricity from the generating unit certified for the RPS pursuant to this Section II.F.3 may only be used to satisfy the RPS procurement requirements of the retail seller or POU that procured electricity from the generation unit as of December 31, 2005. If multiple retail sellers or POUs procured electricity from the generation unit as of December 31, 2005, only the retail seller or POU that owned the generation unit as of December 31, 2005, may use electricity from the generation unit to meet its RPS procurement requirements, except as provided in paragraph (3) below.

3) A POU that meets the criteria of Public Utilities Code section 399.30 (j) may sell to another POU up to 100,000 megawatt-hours of electricity from all generation units certified for the RPS pursuant to this Section II.F.3, and that electricity may be used by the POU that purchased the electricity to meet its RPS procurement requirements. Electricity from the certified generation units may be sold to multiple POUs, but the total of all such sales shall not exceed 100,000 megawatt-hours.

4) A POU that meets the criteria of Public Utilities Code section 399.30 (j) shall report to the Energy Commission all sales of electricity from generation units certified for the RPS pursuant to this Section II.F.3 to ensure compliance with the 100,000 megawatt-hour limit of paragraph (3). The electricity sales shall be reported to the Energy Commission as specified in Section V.B.6. of this guidebook.

To qualify for RPS certification, the applicant for the generation unit shall provide the additional ~~Additional~~ documentation described below ~~must be included~~ with a complete application for RPS certification ~~or precertification~~. An applicant must provide the following additional information to substantiate that the hydroelectric generation unit is operated as part of a water supply or conveyance system:

a) The ~~C~~current water supply permit issued by the California Department of Public Health, if applicable, or its equivalent from another state or local government agency.

b) The ~~C~~current hydroelectric project license, permits, or exemption from licensing from the Federal Energy Regulatory Commission (FERC), if applicable, or the equivalent from another federal, state, or local government agency. If no FERC hydroelectric project licenses, permits, or exemptions were issued for the facility, the applicant must submit documentation explaining why the FERC project licenses, permits, or exemptions are not applicable to the facility.

c) Documentation showing the water supply or ~~and~~ conveyance system was ~~initially~~ built ~~solely~~ for the distribution of water for agricultural, municipal, or industrial consumption and operated primarily for this purpose.

Add Section V.B.6.

Page 91

6. Reporting Sales from Existing Hydroelectric Generation Units Operated as Part of a Water Supply or Conveyance System.

A POU that meets the criteria of Public Utilities Code section 399.30 (j) shall report annually to the Energy Commission on all sales of electricity from hydroelectric generation units certified for the RPS pursuant to Section II.F.3. of this guidebook. By July 1 of each year, the POU shall submit an annual report to the Energy Commission that includes the information in paragraphs (1) – (3) below for all electricity sales from certified hydroelectric generation units made in the prior calendar year.

(1) The name and RPS identification number of each certified generation unit from which electricity was sold.
(2) The quantity of electricity sold, in megawatt-hours, from each certified generation unit per month for the previous calendar year.
(3) The name and contact information of the POU that purchased electricity from the certified generation unit.

A POU may combine the annual report required pursuant to this subsection with other annual reports due to the Energy Commission, provided the reports are submitted to the Energy Commission by July 1 of each year.

Glossary of Terms

Pages 122-123

Project ~~— for hydroelectric facilities under the Renewables Portfolio Standard Program, "project"~~ refers to a group of one or more pieces of generating equipment and ancillary equipment necessary to interconnect to the transmission grid that is unequivocally separable from any other generating equipment or components. For hydroelectric facilities under the Renewables Portfolio Standard Program, a "project" is two ~~Two~~ or more sets of generating equipment that are located within a one-mile radius of each other and are either 1) contiguous or 2) share common control or maintenance facilities and schedules shall constitute a single project, except in the following circumstances:

1) A conduit hydroelectric facility, certified as a conduit hydroelectric facility and not a small hydroelectric facility, may be considered a separate project even though the facility itself is part of a larger hydroelectric facility, provided that the larger hydroelectric facility commenced commercial operations prior to January 1, 2006, and the conduit hydroelectric facility commenced commercial operations on or after January 1, 2006, does not cause an adverse impact on instream beneficial uses or cause a change

in the volume or timing of streamflow, is separately metered to identify its generation, and is separately certified as RPS-eligible by the Energy Commission. A conduit hydroelectric facility certified as a small hydroelectric facility may not be part of a larger project without considering the capacity of the entire project in the certification.

2) ~~For a small~~ A hydroelectric generation unit with a nameplate capacity not exceeding 40 megawatts that is operated as part of a water supply or conveyance system and satisfies the RPS eligibility criteria of Section II.F.3 of this guidebook ~~, as defined in this guidebook,~~ may be considered a separate project even though the generation unit itself is part of a larger hydroelectric facility. ~~and generation from the facility was under contract to, or owned by, a retail seller or local publicly owned electric utility as of December 31, 2005, the~~ The turbine and generator of the hydroelectric generation unit shall constitute a separate project provided that the unit is separately metered to identify its generation, and is separately certified as RPS-eligible by the Energy Commission. If a hydroelectric generation unit is certified as part of a small hydroelectric facility, rather than individually pursuant to Section II.F.3, the capacity of the hydroelectric unit shall be considered part of the overall project in determining the capacity of the small hydroelectric facility.

~~For all other electrical generation facilities under the Renewables Portfolio Standard Program, "project" refers to a group of one or more pieces of electrical generating equipment and ancillary equipment necessary to interconnect to the transmission grid that is unequivocally separable from any other electrical generating equipment or components.~~

Page 127

Water supply or conveyance system — the distribution of water through a tunnel, canal, pipeline, aqueduct, flume, ditch, and/or similarly constructed water conveyance that was ~~initially~~ built ~~solely~~ for the distribution of water for agricultural, municipal, or industrial consumption, and operated primarily for this purpose~~, and not primarily for the generation of electricity.~~